

FISCAL NOTE

SB 1043 - HB 1291

March 17, 1997

SUMMARY OF BILL: Provides a sales and use tax exemption for any expansion of existing warehouse or distribution facilities in which an additional investment of \$10 million was made over a 3 year period, without the need to have qualified previously for the *material handling equipment and racking system tax exemption*. Current law requires that a business making such \$10 million investment would have to have qualified previously under the exemption. The bill would apply to all investments in facilities and purchases of equipment made on or after April 1, 1995.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$5,000,000 One Time

Decrease State Revenues - Exceeds \$600,000 Over Time

Decrease Local Govt. Revenues - Exceeds \$225,000 Over Time

Assumes an increase in one time state expenditures for refunds given to businesses that would qualify for such exemptions under the retroactive provisions of this bill.

Also assumes a decrease in state and local government revenues over time exceeding \$600,000 to the state and \$225,000 to local governments since such exemption would apply to investments of \$10,000,000 made over a 3-year period.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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